

Proposed Issues List
Enbridge 2014-2018 Customized IR Plan
EB-2012-0459

A. Enbridge's Customized IR Plan

1. Is Enbridge's proposal for a Customized IR plan for a 5 year term covering its 2014 through 2018 fiscal years appropriate?
2. Does Enbridge's Customized IR plan include appropriate incentives for sustainable efficiency improvements?
3. Does Enbridge's Customized IR plan ensure appropriate quality of service for customers?
4. Does Enbridge's IR plan create an environment that is conducive to investment, to the benefit of customers and shareholders?
5. Is the methodology within Enbridge's Customized IR plan for determining annual Allowed Revenue amounts appropriate?
6. Is the methodology within Enbridge's Customized IR plan for updating the 2017 and 2018 Annual Revenue amounts within the 2016 Rate Adjustment proceeding appropriate?
7. Is the methodology within Enbridge's Customized IR plan for determining final rates for 2014 appropriate?
8. Is the methodology within Enbridge's Customized IR plan for setting final rates for 2015 through 2018 through annual Rate Adjustment proceedings, including cost allocation and rate design, appropriate?
9. Are the cost of capital parameters for 2014 to 2018 (ROE, debt rates) within Enbridge's Customized IR plan appropriate?
10. Are the following components within Enbridge's Customized IR plan appropriate?
 - a. Z Factor mechanism
 - b. Off-ramp condition
 - c. Earnings Sharing Mechanism

- d. Treatment of Cost of Capital
 - e. Performance Measurement mechanisms, including Service Quality Requirements (SQRs)
 - f. Sustainable Efficiency Incentive Mechanism
 - g. Annual reporting requirements
 - h. Rebasing proposal
 - i. Treatment of pension expense and employee future benefits costs
 - j. Treatment of DSM costs
 - k. Treatment of Customer Care and CIS costs
11. Is the proposal to continue Enbridge's current deferral and variance accounts through the IR term appropriate?
 12. Is the proposal for the creation of the following new deferral and variance accounts appropriate?
 - a. Greater Toronto Area Project Variance Account ("GTAPVA")
 - b. Constant Dollar Net Salvage Adjustment Deferral Account ("CDNSADA")
 - c. Customer Care Services Procurement Deferral Account ("CCSPDA")
 - d. Greenhouse Gas Emission Impact Deferral account ("GGEIDA")
 13. Is the proposal to permit Enbridge to apply for changes in rate design and new energy and non-energy services during the IR term appropriate?
 14. Is Enbridge's proposal to continue the RCAM methodology during the IR period appropriate?
 15. Is Enbridge's proposal to continue the current methodologies to cost and price other service charges and late payment penalties appropriate?
 16. Are the overall levels of allowed revenue, rates and bill impacts for each of the years of the IR plan reasonable given the impact on consumers?

B. Allowed Revenue and Rate Base

17. Is the Allowed Revenue amount for each of 2014, 2015 and 2016 appropriate, including:

- a. Is the depreciation amount appropriate?
- b. Is the operating costs amount appropriate?
- c. Is the allocation of O&M costs between utility and non-utility (unregulated) operations appropriate?
- d. Is the amount for income and municipal taxes appropriate?
- e. Is the cost of capital amount appropriate?
- f. Is the Other Revenues amount appropriate?

18. Is the rate base for each of 2014, 2015 and 2016 appropriate, including:

- a. Opening rate base;
- b. Forecast level of Capital expenditures;
- c. Forecast Customer additions;
- d. Proposed Capital additions;
- e. Allocation of the cost and use of capital assets between utility and non-utility (unregulated) operations;
- f. Working capital allowance; and
- g. All other components of and adjustments to rate base.

19. Is the preliminary Allowed Revenue amount for each of 2017 and 2018 appropriate, including:

- a. Is the preliminary depreciation amount appropriate?
- b. Is the operating costs amount appropriate?
- c. Is the allocation of O&M costs between utility and non-utility (unregulated) operations appropriate?

- d. Is the preliminary amount for income and municipal taxes appropriate?
 - e. Is the preliminary cost of capital amount appropriate?
 - f. Is the Other Revenues amount appropriate?
20. Is the preliminary rate base for each of 2017 and 2018 appropriate, including the method for establishing that preliminary level?

C. 2014 Rates

- 21. Is the 2014 forecast of Customer Additions appropriate?
- 22. Is the 2014 revenue forecast appropriate?
- 23. Is the 2014 gas volume forecast appropriate?
- 24. Is the 2014 degree day forecast for each of the Company's delivery areas (EDA, CDA and Niagara) appropriate?
- 25. Is the 2014 Average Use forecast appropriate?
- 26. Is the 2014 level of Unaccounted For ("UAF") volume appropriate?
- 27. Is Enbridge's forecast of gas, transportation and storage costs for 2014 appropriate?
- 28. Is the Allowed Revenue deficiency or sufficiency for the 2014 Fiscal Year calculated correctly?
- 29. Is the overall change in Allowed Revenue reasonable given the impact on consumers?
- 30. Is Enbridge's utility Cost Allocation Study, including the methodologies and judgments used and the proposed application of that study with respect to 2014 Fiscal Year rates, appropriate?
- 31. Are the rates proposed for implementation effective January 1, 2014 and appearing in Exhibit H, just and reasonable?

32. How should the Board implement the rates relevant to this proceeding if they cannot be implemented on or before January 1, 2014?

D. Alternative Proposals

33. With respect to any alternative IR plan proposed for Enbridge, does that proposal meet the Board's objectives for incentive regulation for gas distributors and is it appropriate?
34. With respect to each of the components of any alternative IR proposal, are those components appropriate?

E. Other

35. What are the regulatory alternatives to the Board approving the Enbridge rate proposal? Are any alternatives to approving the rate proposal appropriate?
36. Is Enbridge's proposal for Transactional Services ("TS"), including the classification of transactions within TS and the treatment and sharing of TS revenues, appropriate?
37. Is the proposal to introduce a new Hybrid 50/50 forecasting methodology for the determination of a heating degree day ("HDD") forecast for the Company's "Central Delivery Area", and to retain the existing forecasting methodologies for the EDA and Niagara areas, appropriate?
38. Is the proposed implementation, treatment and cost recovery related to the change in the peak gas day design criteria, approved by the Board in the 2013 rate application (EB-2011-0354), appropriate?
39. Are the proposed depreciation rate changes, to be in use beginning in the 2014 Fiscal Year, related to a reduction in the annual level of Site Restoration Cost/Asset Retirement Obligation ("SRC/ARO") collected, appropriate?
- a. Is Enbridge's proposal to continue with all other depreciation rates established in the EB-2011-0354 proceeding, throughout the IR period appropriate?
40. Are the proposed amounts to be returned to ratepayers over a 5 year period related to the estimated reduction to the amount of SRC/ARO previously collected, appropriate?

41. Is the proposal for the Open Bill Access Program appropriate?
42. Are the proposed changes to Rate 100 and Rate 110 appropriate?
43. Are the proposed changes to the Rate Handbook appropriate?
44. Is Enbridge's rate design for the proposed Rate 332 appropriate?
45. Is the rate of return on the Natural Gas Vehicle ("NGV") program appropriate?
46. Has Enbridge responded appropriately to all relevant Board directions from previous proceedings, including commitments from prior settlement agreements?
47. Are Enbridge's economic and business planning assumptions appropriate?
48. Is Enbridge's updated asset plan appropriate?
49. Is Enbridge's proposal to increase firm transportation for 2014 appropriate? What are the implications, if any, of that proposal on the gas supply and transportation strategy for 2015-2018? What is the appropriate process to develop, review and approve the gas supply and transportation strategy for 2015-2018?